FISCAL UPDATE

September 21, 2005

Legislative Services Agency

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http://staffweb.legis.state.ia.us/lfb

NATIONAL BOATING STATISTICS REPORTED

2004 Boating Accidents



Accident Factors

The National Association of State Boating Law Administrators reported 676 recreational boating fatalities in 2004. This is the lowest number reported in the history of the Recreational Boating Safety Program that is administered by the U.S. Coast Guard. The Coast Guard collects this information from the 56 states and territories.

Of the boating fatalities reported, 484 (70.0%) were due to drowning. Of this number, 431 (90.0%) of the victims were not wearing a life jacket. Alcohol use was another factor related to the fatalities. Of the 676 fatalities, 216 (32.0%) involved alcohol consumption by the boaters.

Boats Registered There were 12.8 million boats registered in 2004, which was slightly lower than 2003.

More Information A copy of the article may be accessed on the web site at:

http://www.nasbla.org/pdf/SCA/Jul_Aug_2005.pdf. Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767)

REVERSION OF FEDERAL EDUCATION FUNDS

FY 2005 Federal Funds



Title I Funding

In FY 2005, the Department of Education reverted \$340,912 in unexpended funds to the federal government from 11 federal grant programs. Most of the reversions resulted from funds that were never claimed by local school districts or that were returned when the funding exceeded local expenditures. In all but one of these instances, the reversion represented less than 2.0% of the total grant funding. The Department reverted 8.7% of the funding for Advanced Placement test fees because of a lack of claims by local districts.

Approximately 39.8% of the funding for capital expenses related to Title I services to private school students was not expended because of a U. S. Supreme Court ruling that Title I services can be provided within a private school. Approximately 1.2% of the Safe and Drug-Free Schools grant was reverted when a violence prevention conference was canceled due to lack of participation and expenditures for a crime prevention training conference came in under budget.

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FY 2006 Federal Funds



In May, the U.S. Department of Education identified eight federal grant programs in Iowa as having "large unexpended balances" that would revert if not expended by September 30, 2005. All but three of the balances have now been fully expended. The Iowa Department of Education anticipates that the remaining funds will be fully expended by the deadline. The programs and balances, as of September 14, include:

- Safe and Drug-Free Schools \$74,242
- State Grants for Community Service for Expelled or Suspended Students -\$154,763
- 21st Century Community Learning Centers \$0
- Special Education IDEA, Infants and Toddlers \$615,294
- Mathematics and Science Partnerships \$0
- Education for Homeless \$0
- Reading First \$0
- Migrant \$0

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Robin Madison (Ext. 15270)

METHAMPHETAMINE LAB SEIZURES IN IOWA

DCI Statistics



The Department of Public Safety, Division of Criminal Investigation, reports that 632 meth labs were seized in Iowa from January 1 to August 31, 2005. This is a decrease of 443 compared to the same time period a year ago. Of the 632 seized, 32 were red phosphorous labs. To date, 38 children have been affected by meth labs this year. In 2004, 462 children were affected.

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

CRIMINAL JUSTICE INFORMATION SYSTEM INTEGRATION PLAN

CJIS Report



On August 26, the Department of Human Rights, Criminal Juvenile Justice Planning Division, released the State of Iowa Criminal Justice Information System (CJIS) Integration Plan. The Project began in 2001 to establish a statewide-integrated criminal justice information system that will distribute information in a common, automated format between federal, State, and local criminal justice agencies.

Benefits include better decision making; reductions in redundant data entry, delayed information, and paper costs; improvements in data integrity; and improved statistics for policy decisions. Implementation will occur in FY 2006 through FY 2010. The overall cost is estimated between \$6.0 million and \$12.0 million. Ongoing operating costs cannot be determined at this time.

More Information

A copy of the report may be accessed on the web site at: http://www.state.ia.us/dhr/cjip/cjis/cjis_plan_final.html. Additional information

is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

AUDIT REPORT - IOWA TURKEY MARKETING COUNCIL

Audit Report

The State Auditor issued the FY 2003 and FY 2004 Audit Reports of the financial statements of the Iowa Turkey Marketing Council on July 28. The purpose of the Council is to expand the market for turkeys and turkey products and to improve production and marketing within Iowa.

Reportable Condition



There was one reportable condition in the Report. The Council's checkbook, ledgers, and financial reports were not maintained from July through December 2004. The Council responded that the Executive Director had reviewed every invoice and check and filed them by month. A new bookkeeper began in May 2004 and entered all transactions into the Quick Books software program. This information was presented to the auditors. This response was accepted.

More Information

A copy of the Audit Report may be accessed on the web site at: http://publications.iowa.gov/archive/00002778/. Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767)

AUDIT REPORT – COUNTY CLERKS OF DISTRICT COURT

Audit Report

The State Auditor issued the FY 2004 Audit Report of the Iowa Judicial Branch – County Clerks of District Court on June 30.

Reportable Conditions

There were 10 findings relating to internal controls, such as segregation of duties, securing cash and checks, limiting the use of manual receipts, making timely deposits, and promptly restricting terminated employees' access to the computer system. All responses to the findings were accepted by the Auditor.

Statutory Findings



There were four findings relating to statutory requirements dealing with the timely remittance of fines, fees, and surcharges; correcting depository resolutions; ensuring interest rates meet the minimum requirements for certificates of deposit; and reporting outstanding trusts and bonds to the State Treasurer. All responses to the findings were accepted by the Auditor.

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

NATURAL RESOURCE COMMISSION MEETING

Commission Meeting



The Natural Resource Commission met on September 8 and approved the following land acquisitions:

- A purchase of 646 acres in Fremont County that is adjacent to the Waubonsie State Park for the appraised price of \$2.1 million. Funding included \$1.5 million from the Rebuild Iowa Infrastructure Fund and \$600,000 from the Iowa Values Fund. The acquisition included two nature centers, a house for staff lodging, five cabins, a dining hall, and six small miscellaneous buildings.
- A purchase of 40 acres in Lucas County that borders Stephens State Forest for the appraised price of \$50,000. Funding is from the Resource Enhancement and Protection (REAP) Fund.
- A purchase of 120 acres in Benton County that is adjacent to Dudgeon Lake Wildlife Management Area for the appraised price of \$210,000. Funding is from the Fish and Wildlife Trust Fund.

FY 2007 Budget

Budget information for FY 2007 was presented but not approved, as the Department's budget has not been completed. A telephone meeting will be scheduled for the Commission to approve the budget.

Timber Sales

The Commission approved the timber sale of 312 trees that will be removed from the Indian Bluffs Wildlife Management Area. Pierce Logging Company received the contract with a high bid of \$38,000.

BIG Grant Contracts



The Commission approved two contracts supported by the federal Boating Infrastructure Grant (BIG) Program, including:

- A \$100,000 grant to the City of Muscatine for a boat tie-up facility to be used by transient boaters on the Mississippi River.
- A \$100,000 grant with Midwest Franchise, a marina operator in Sioux City, for a boat tie-up facility that will be used by transient boaters on the Missouri River.

Wildlife Conservation

The Commission approved the State Comprehensive Wildlife Conservation Plan as required by the federal government in order to receive funding from the State Wildlife Grants Program. The Plan identifies 999 species of birds, mammals, fish, reptiles, amphibians, mussels (freshwater clams), land snails, butterflies, dragonflies, and damselflies in Iowa. A State Advisory Group composed of 93 individuals affiliated with 59 organizations developed the Plan.

Boat Replacement



More Information

The Commission received a copy of the Department's boat replacement schedule. This included the dollar amount requested by each Law Enforcement District and the amount of funding available. For FY 2006, requests totaled \$524,000; for FY 2007, requests total \$449,000. The budget for boat replacement is \$194,000 for each year.

The next meeting is scheduled for October 13. For review of Commission agendas, minutes, and other related information, access the DNR web site at: http://www.iowadnr.com/. Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767)

STATE SOIL CONSERVATION COMMITTEE MEETING

Committee Meeting

The State Soil Conservation Committee met on September 1 in Des Moines.

Bear Creek Watershed

The Committee approved funding from the Water Protection Practices Fund to the Bear Creek Watershed Group. This allows the Group to use up to \$8,000 in funding for the installation of conservation practices.

Iowa Soybean Assoc.

Members and staff from the Iowa Soybean Association provided a presentation that included:



- A discussion on how funding from the Environment First Fund was used to leverage federal funding of \$1.0 million.
- Development of agronomic and environmental programs.
- Completion of on-site farm trials that included nitrogen-use studies and fungicide and foliar feeding studies.
- Watershed programming that includes farmer participation in the Boone River, Pike Run Creek, South Fork, and West Buttrick Creek Watersheds.

Federal Programs

Paul Sweeney, Natural Resources Conservation Service (NRCS), announced that three watersheds located in Iowa will receive funding from the Conservation Security Program (CSP). This includes the South Skunk and Middle Iowa Watersheds and the Grant-Little Maguoketa Watershed that is located in Iowa and Wisconsin. Mr. Sweeney also stated that over 1,500 lowa farmers will be offered more than \$13.0 million in contracts under the CSP and that Iowa received 17.0% of the federal funding available.

CREP Overview

Dean Lemke, Department of Agriculture and Land Stewardship, reported that a bus tour will be available on September 7 to tour projects that have been completed using funds in the Conservation Reserve Enhancement Program (CREP). The tour is open to Committee members, legislators, and other interested parties. Mr. Lemke also discussed the Gulf Hypoxia Conference that will be held in Ames on September 26-28.



The next meeting is scheduled for October 6. For more information about the State Soil Conservation Committee, access the web site at: http://www.agriculture.state.ia.us/sccommittee.htm. Additional information is available from the LSA upon request.

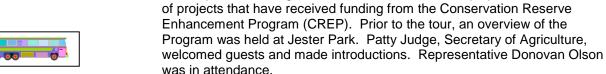
More Information

STAFF CONTACT: Debra Kozel (Ext. 16767)

CONSERVATION RESERVE ENHANCEMENT PROGRAM TOUR

The Department of Agriculture and Land Stewardship sponsored a bus tour

Tour of Sites





CREP Program

The CREP Program is a partnership between federal, State, and local government agencies that encourages landowners to establish wetlands by providing financial incentives. This improves the water quality in the tile-drained regions of lowa by removing nitrates and other agricultural chemicals from streams and rivers. As of September 5, 2005, there have been over 1,000 potential sites identified and 543 landowners contacted. There are also six constructed sites, eight projects that will be constructed this fall, and another 36 sites in the surveying and engineering phase.

Project Tour

The tour included the review of a number of CREP projects in Boone, Story, and Dallas Counties. William Crumpton, Iowa State University, discussed conservation drainage at the Triple I CREP wetland project located in Boone County. A second stop at the Hughes CREP wetland, located in Dallas County, allowed participants to ask questions of the landowner and other persons that were involved with the project.



Dr. Crumpton discusses conservation drainage at the Triple I CREP wetland. Representative Donovan Olson was in attendance.

More Information

For more information about the CREP Fund, access the web site at: http://www.agriculture.state.ia.us/CREP.htm. Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767)

STATE BOARD OF EDUCATION MEETING

Board Meeting

The State Board of Education met on September 8 and 9. The major topics discussed included:

Early Childhood Education



Dee Gethmann, Consultant, Department of Education, and Shanell Wagler, Community Empowerment Facilitator, Department of Management (DOM), discussed how the Community Empowerment Program uses grants and facilitation to mobilize community resources for early childhood programs.

Administrative Rules

The Board approved notice of the following rules:

- Local Option Sales and Services Tax for School Infrastructure (SILO): Proposed administrative rules to implement the provisions in HF 882 (FY 2006 Standing Appropriations Act).
- General Accreditation Standards: Proposed administrative rules to require use of a student's legal name per State and federal statutory changes.

Athletic Eligibility

The Board directed the Department to proceed with rulemaking to raise the minimum standard for athletic eligibility from the current requirement of passing four classes to a requirement that student athletes pass all classes.

Principal Evaluation

The Board reviewed the standards and model criteria for principal evaluations with the goal of improving educational leadership.

Accreditation

The Board approved accreditation for Area Education Agencies 8, 4, 9, and 11 and Upper Iowa University's Master of Education Degree. The Board postponed a decision on the University of Iowa's Practitioner Preparation Program and requested further information.

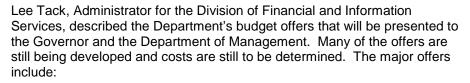
Charter Schools

The Board approved the charter school application for the Northwest Iowa Charter High School in the Hartley-Melvin-Sanborn Community School District.

Teacher of the Year

Ernest Schiller, 2005 lowa Teacher of the Year, provided a report on his activities. He offered his observation that the No Child Left Behind emphasis on math and reading has decreased the attention given to science education in elementary school.

FY 2007 Budget





- Educator Quality: The offer has a basic allocation of \$87.3 million, an increase of \$40.0 million compared to FY 2005. The increase would raise teacher salaries for beginning and career teachers to \$28,000 and \$30,000, respectively; provide an additional teacher professional development day; expand the Mentoring and Induction Program to administrators; and provide a support program for the National Board Certification Awards.
- Universal Access to Prekindergarten: The offer is for a three-year phase-in plan that will ultimately provide prekindergarten access to 90.0% of the four-year-old population. The offer includes \$25.0 million annually in direct State grants for three years beginning in FY 2007 to selected local districts to assist with start-up costs. In addition, programs would receive State aid through a funding formula tied to district cost per student at a funding level of 87.5%, similar to the K-12 funding formula. The Department estimates State aid of \$23.0 million annually in FY 2007 and FY 2008, \$50.0 million in FY 2009, and \$74.0 million in FY 2010.
- High School Reform: The offer dealt with establishing a common school calendar, recruitment and retention of teachers in potential shortage areas, and a supplementary weighting for Advanced Placement classes. The budget offer for the common calendar is \$425,000, and the other items are still to be determined.



- State Aid to School Districts and Area Education Agencies: The offer includes State Foundation Aid, continuation of the Educational Excellence Phases I and II, School Improvement/Class Size Reduction, Instructional Support, and the addition of a supplemental weighting for school districts that improve efficiency and share operational functions.
- Administration of the Department of Education: The offer is for increased resources for staff to administer programs. The Department has decreased from 181 staff in 1991 to the current level of 90.1.
- Iowa Jobs for America's Graduates (I-JAG): The offer is to expand the school-towork transition and dropout prevention program. Each additional \$200,000 serves approximately 133 students.
- Community College State General Aid: The offer presents two options for increasing State general aid to community colleges. The first option increases State general aid by the allowable growth rate applied to the K-12 foundation aid formula, which is 4.0% for FY 2007. This would generate an increase of \$6.0 million. The second option multiplies 75.0% of community college general fund expenditures by the 4.0% allowable growth rate, generating an increase of \$11.9 million.

Legislative Agenda

Jeff Berger, Legislative Liaison, Department of Education, discussed potential departmental priorities for the upcoming legislative session. In addition to the budget offers, the Department is interested in school administrator licensing, including leadership standards, and restoration of Area Education Agency budgets to levels that preceded the reductions of recent years.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561) Robin Madison (Ext. 15270)

IOWA EMPOWERMENT BOARD MEETING

Board Meeting

The Iowa Empowerment Board met on September 9 in Council Bluffs. The Board postponed election of a Vice Chairperson until the November meeting to allow the nominating committee additional time.

Administrative Update



Shanell Wagler, Community Empowerment Facilitator, updated the Board on the status of a variety of projects, including Empowerment Area redesignation, a child care incentives study, the development of the Quality Rating System for child care, and a review of the Board's strategic plan. She noted that the Department of Public Health, in partnership with Community Empowerment, has received a three-year implementation grant to continue the work that began with a two-year Early Childhood Comprehensive Systems Planning grant.

Coordinated Leadership

She also discussed plans for the Early Childhood Coordinated Leadership meeting on September 22 in Johnston. The purpose of the meeting will be to increase coordination and collaboration between early childhood councils and boards, integrate services and standards, and discuss the integration of funding streams. Organizations participating in the meeting, in addition to the Empowerment Board, include:

- Child Development Coordinating Council
- Family Development and Self Sufficiency (FaDSS) Council
- hawk-I Board
- Head Start State Collaboration Office Management Team
- Iowa Council for Early ACCESS
- Iowa Maternal and Child Health (MCH) Advisory Council
- Mental Health, Mental Retardation, Developmental Disability, and Brain Injury (MH/MR/DD/BI) Commission
- State Child Care Advisory Council

Carry-Forward Balances

The Board discussed a draft policy regarding carry-forward balances of School Ready Grant funding. House File 761 (Early Childhood Policy and Tax Credit Act) required the Board to identify and apply limitations on carry-forward balances. The draft policy defines an unusually high percentage of carry-forward as 20.0% of the annual School Ready Grant allocation. The draft proposes that, beginning in FY 2007, Community Empowerment Areas (CEAs) with carry-forward balances exceeding 20.0% will face a funding reduction in subsequent years. The policy provides a process for CEAs to request a waiver for special circumstances.



The draft policy provides three options for redistribution of carry-forward balances exceeding the limit. Option One would establish a Training and Technical Assistance Fund to benefit all CEAs. Option Two would redistribute the funds to CEAs that did not exceed the carry-forward limit. Option Three would redistribute the funds to all CEAs, through the formula, targeted to professional development.

The Board discussed the policy recommendations and considered the possibility of changing the definition of "unusually high" to 30.0%. To allow more time for input from the local boards, a decision on the policy was postponed until the November meeting.

Preschool Tuition Funding



The Board adopted revised guidelines for CEAs regarding the use of \$4.7 million allocated from the FY 2006 School Ready Grant appropriation to provide preschool tuition assistance to low-income parents. The Board was advised by legal counsel that it cannot require CEAs to restrict the funding to programs that meet certain criteria. The revised guidelines encourage but do not require CEAs to do so. The Board also adopted performance measurements for the preschool tuition assistance funding.

New Statewide Indicators

The Board adopted new and revised indicators and measures, including Children in Quality Preschools, Incidence of Child Abuse, Child Abuse in a Child Care Setting, and Quality Child Care Ratings.

Web Site Development

The Board received an update on the development of the Early Childhood lowa web site (http://www.earlychildhoodiowa.org/) and the lowa 211 web site (http://www.211iowa.org/), both of which meet requirements of HF 761.

More Information	The next meeting is scheduled for November 8. Additional information is available from the LSA upon request.
	STAFF CONTACT: Robin Madison (Ext. 15270)

This document can be found on the LSA web site: http://staffweb.legis.state.ia.us/lfb/fupdate/fupdate.htm